Form (2)

328 - G
29.12.2016

THE REPUBLIC OF THE UNION OF MYANMAR

## The Myanmar Investment Commission

## PERMIT

Permit No. 1095/2016 Date 29th February 2016

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. HAJIME OKANO

(b) Citizenship JAPANESE

(c) Address NO.1459, XINJINQIAO ROAD, PUDONG, SHANGHAI, CHINA

(d) Name and Address of Principal Organization SINGAPORE PANATEX TRADING CO., PTE. LTD., NO.80, RAFFLES PLACE, #33-00 UOB PLAZA, SINGAPORE 048624

(e) Place of incorporation SINGAPORE

(f) Type of Investment Business MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 4, MYAY TAING BLOCK NO. NGA 12, THARDUKAN INDUSTRIAL ZONE, SHWE PYI THAR TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US$ 1.50 MILLION

(i) Period for Foreign Capital brought in WITHIN TWO YEARS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$1.50 MILLION

(k) Construction period ONE YEAR

(l) Validity of investment permit 50 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED

(n) Name of Company incorporated in Myanmar YANGON PANATEX APPAREL COMPANY LIMITED

Sd/-

Chairman

The Myanmar Investment Commission

THE REPUBLIC OF THE UNION OF MYANMAR
**MYANMAR INVESTMENT COMMISSION**
No.1, Thitsar Road, Yankin Township, Yangon

Our ref : DICA-3/FI-1303/2016( 872- G ) Tel: 01- 658128
Date : 29th February 2016 Fax: 01-658141

**Subject: Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of "Yangon Panatex Apparel Company Limited".**

Reference: Yangon Panatex Apparel Company Limited Letter dated (17-12-2015).

1. The Myanmar Investment Commission, at its meeting (6/2016) held on (22-2-2016), had approved that the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "Yangon Panatex Apparel Company Limited" submitted by Singapore Panatex Trading Co., Pte. Ltd. (99.9993%) from Singapore and Mr. Hajime Okano (0.0007%) from the People's Republic of China as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 50 (fifty) years commencing from the date of the issuance of Myanmar Investment Commission's permit. The term of the Lease Agreement for Land and Buildings shall be initial 5 (five) years from the date of signing of the Lease Agreement between Parimala Devi (a) Nilar Aung (Lessor) and Yangon Panatex Apparel Company Limited (Lessee) and extendable to 20 (twenty) years subject to the approval of Myanmar Investment Commission. On the expiry of the Lease period, the Lessee shall not to be transfered the leased land and buildings.

4. The rental payment shall be paid on yearly basis until 5(five) years. The annual rental shall be paid Kyat 240,000,000 (kyat two hundred and fourty million only) for first year and second year; Kyat 132,000,000 (kyat one hundred and thirty-two million only) for third year; Kyat 145,200,000 (kyat one fourty five million and two hundred thousand only) for fourth year; Kyat 159,720,000 (kyat one fifty nine million and seventy two thousand only)

for fifth year of the total land measuring of 3884.98 square metres (0.96 acres). The rate of rent shall be revised in view of prevailing land and buildings lease rates after 5 years and can be extendable with the consent of the lessor for the next 20 years.

5. In issuing this "Permit," the Commission has granted the following exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project:-

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Yangon Panatex Apparel Company Limited shall have to sign the Lease Agreement for Land and Buildings with Daw Nilar Aung (a) Parimala Devi (Lessor). After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Yangon Panatex Apparel Company Limited in consultation with the Company Division, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Yangon Panatex Apparel Company Limited shall use its best efforts for timely realization of works stated on the proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

9. Yangon Panatex Apparel Company Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the investor cannot construct completely in time during the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The investor or promoter shall apply the commencement date of commercial operation with Form (11) for their manufacturing business and report to the Commission in accordance with Foreign Investment Rule 97.

13. Yangon Panatex Apparel Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Yangon Panatex Apparel Company Limited has to follow the existing Labour Laws for the recruitment of staffs and labour in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of Foreign Investment Law, other than foreign currency.

16. Whenever Yangon Panatex Apparel Company Limited brings in foreign capital defined under Chapter I, section 2(i) of Foreign Investment Law, other than foreign currency in the manner of paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an

internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Yangon Panatex Apparel Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Yangon Panatex Apparel Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Yangon Panatex Apparel Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct an Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. It has to prepare and submit and perform activities in accordance with this EMP and abide by the environmental policy, Environmental Conservation Law and other environmental related rules and procedures.

20. After getting permit from Myanmar Investment Commission, Yangon Panatex Apparel Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Yangon Panatex Apparel Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire extinguishers and provide training to use the fire fighting equipments and also to appoint fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made from export earning (CMP charges) of Yangon Panatex Apparel Company Limited .

23. Yangon Panatex Apparel Company Limited in consultation with Myanma Insurance shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of the Foreign Investment Rules.

(Zay Yar Aung)
Chairman

**Yangon Panatex Apparel Company Limited**

cc: 1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population
7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Central Bank of Myanmar
13. Chairman, CMP Enterprises Supervision Committee
14. Office of the Yangon Region Government
15. Director General, Fire Services Department
16. Director General, Department of Environmental Conservation
17. Director General, Immigration and National Registration Department
18. Director General, Directorate of Industrial Supervision and Inspection

19. Director General, Department of Trade
20. Director General, Customs Department
21. Director General, Internal Revenue Department
22. Director General, Directorate of Investment and Company Administration
23. Director General, Department of Urban and Housing Development
24. Director General, Directorate of Labour
25. Managing Director, Myanma Electric Power Enterprise
26. Managing Director, Myanma Foreign Trade Bank
27. Managing Director, Myanma Investment and Commercial Bank
28. Managing Director, Myanma Insurance
29. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)